PACIFIC FRUIT EXPRESS COMPANY

September News Letter

San Francisco, September 24, 1956

ALL P.F.E. EMPLOYEES:

P.F.E. Loadings

	1956			1955		
	PFE Cars	Foreigns	Total	PFE Cars	Foreigns	Total
August	30,517	5,045	35,562	36,073	3,968	40,041
Jan-Aug.	235,787	26,848	262,635	229,695	25,884	255,579

Car Situation

There has been an ample supply of cars on line since the last News Letter, and it appears that sufficient cars are available on contract lines and on immediate connections to provide adequate protection of requirements through September. A limited number of foreign fan cars will be taken into PFE service during the last week of September and early in October to guarantee full protection through the fall peak loading period.

CROP CONDITIONS

Along Southern Pacific:

In Oregon the Rogue River Valley pear movement will be in heavy volume during September. Potato growers in the Klamath Basin are awaiting a vine-killing frost, which usually occurs in late September, before commencing harvest. Shipments are expected to start the last week of this month.

In Northern California the seedless grape movement has passed peak volume and shipments started to decline after September 10. Shipments of Tokay grapes from the Lodi district started the last week in August, reaching peak volume September 10, which should continue through the first week of October. Movement of juice grapes has started and will be in heavy volume through mid-October. Emperor grape shipments are not expected to start until after the 1st of October. Tree fruit movement will consist of pears from late producing areas and storage stocks with shipments declining rapidly after September 20. Melon movement has declined rapidly during the first half of September and should continue in light volume through mid-October. Tomato shipments from the Tracy area started September 13 and are expected to increase rapidly. Salinas lettuce and fall vegetable shipments will continue in heavy volume through September.

In Southern California shipments will consist mostly of vegetables and citrus fruits from the Los Angeles and Coastal areas in normal seasonal volume.

Along Union Pacific:

There is a plentiful crop of potatoes in Southeastern Idaho with digging under way around the middle of September. Market prices

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Along Union Pacific:

There is a plentiful crop of potatoes in Southeastern Idaho with digging under way around the middle of September. Market prices

have been low and demand slow since late August, and with new larger storage cellars available shipping has been comparatively light. Soft fruit movement passed peak loading period September 14 and shipments declined rapidly thereafter. The bulk of movement from this area from now on will consist of potatoes and onions with light loadings of apples and vegetables.

Loading in the Northwest District has been and will continue below normal due to the results of freezing temperatures experienced before dormancy was reached last Fall, and again in the early Spring. Prune crop in the Milton-Freewater District was hurt badly. However, there will be pears, peaches and prunes moving from Hood River and Yakima. Balance of loading will consist of miscellaneous items including frozen foods and beer.

In Eastern District the Colorado vegetable movement should run in light but steady volume through September. Western Nebraska and Eastern Wyoming potato shipments are moving mostly by truck with rail shipments running 8 to 10 cars daily, which should continue through the month. The Colorado peak movement was practically cleaned up by September 10 with shipments around 700 cars, which compares with 746 cars last year.

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In December of this year construction of 2000 new cars will get under way at a total cost of some $26,090,400. As you probably know, 1800 of these will be standard-length ice bunker cars, and 200 will be mechanically refrigerated 50-foot cars.

The standard ice bunker car costs $12,128, and the mechanical 50-foot $21,298. These are in replacement of ice bunker cars built many years ago at prices ranging from $1390 to $3300 for the 40-foot car, and $3900 to $4300 for the 50-foot car. Over the life of these older cars "normal depreciation" has been taken on the basis of the old costs, hence, in buying new cars the difference in cost as between the old and the new must come from current earnings. This is particularly difficult at the present tax rates taking over 50% of net revenues.

(Since orders were placed for these 2000 cars, costs have again increased and the 40-foot ice bunker car is now estimated at $12,900, with the 50-foot mechanical at $22,700)

This is just one of the many items of rising costs which confront your management today and which is of growing concern because of our inability to increase revenues through higher mileage rates - the main source of our income. It is only by increasing efficiency in our operations that we can get the necessary funds for these cars and others which must follow from year to year. I appeal to all of you to lend your fullest support in that direction. By doing so we add to our own security and in addition help maintain the high standards expected of our company by the patrons we serve.

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One day as I sat musing, sad and lonely, without a friend,
A voice came to me saying "Cheer up, things could be worse".
I cheered up, and sure enough, things got worse.

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Mr. J. F. Cleary, General Agent at Cincinnati, Ohio, retired on September 1, 1956. He entered PFE service in July, 1913 at Chicago and advanced through various positions in the office until his appointment as Agent Cincinnati on February 1, 1923.

Jim leaves active service with the sincere appreciation of the management for a job well done, and with the best wishes of a host of friends in the Pacific Fruit Express Company, in railroad circles, and among the perishable shipping fraternity, for many years of happiness for himself and Mrs. Cleary.

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Mr. Cleary is succeeded by Mr. Lawrence A. Longtin, formerly Traveling Agent working out of the Chicago office. He started with the PFE in 1927 and came up through the Diversion, Fruit Block and Transportation Departments.

K. V. Plummer
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